

## EVALUATION STRATEGY – MODEL

### INTRODUCTION

The new European Structural Funds Regulations have expanded the monitoring requirements from purely financial control to include programme performance and impact to ensure a more effective deployment of Structural Funds. These improvements reflect a more decentralised approach to programming and programme management as well as a clearer definition of monitoring and evaluation responsibilities at the Community, national and regional level.

Evaluation is not just an activity carried out to comply with the regulatory requirements set out by the European Commission, but is a valuable programming tool which adds value to the Structural Funds implementation and management process. With accurate monitoring data, evaluation can be used to ensure Programmes are meeting their objectives. The use of thematic evaluations, a relatively new area to date, can provide further qualitative data on progress and impact and their use should be pioneered in innovative and constructive ways.

#### *Defining evaluation*

Evaluation is the expression of results in terms of impacts on achieving the programme's global or specific objectives. The impact is the principal basis for assessing the degree of success or failure of the intervention. Evaluation is a key mechanism for improving programme management. Evaluation of Structural Funds can be broken down into three phases: ex-ante, mid-term and ex-post evaluation. For each phase, evaluations have to address a set of specific issues about the performance of the programmes. In addition, it will be necessary to carry out a final evaluation (update of the mid term evaluation) in order to inform the development of the new round of programmes.

To ensure consistency in the provision of monitoring data and to provide a common starting point for all evaluations, core indicators need to be defined for the evaluation of programmes. Monitoring should be undertaken, ensuring data on core indicators is collected, and annual monitoring data will be collated to complete the Annual Implementation Reports (AIR). The annual review system based on the information in the AIRs should consider the activity, output and impact, adjusting programmes as required. The AIRs will be the key building block for the mid-term evaluation and the ex-post evaluation, which will be the strategic level evaluations of the interventions.

#### *Purpose and Objectives*

#### *Evaluation Issues*

The European Regulations require evaluations to be carried out at the ex-ante, mid-term and ex-post stages of each Structural Funds Programme (Articles 41, 42 and 43 of Regulation (EC) 1260/1999). In addition, a range of ad-hoc evaluations addressing themes or measures may be necessary or desirable.. At a European level, the Commission will need to be able to aggregate data in order to identify the proportion of Funds spent in each policy area, it will be

necessary to be able to compare and aggregate all data relating to ESF interventions to provide a national overview.

Evaluation must address a set of specific issues in order to adequately assess the delivery of a programme and fulfil the above requirements. Key issues identified by the Commission<sup>2</sup> include:

- **Relevance:** *How relevant are the programme's objectives in relation to evolving needs and priorities at a national and EU level?*
- **Efficiency:** *How were the resources turned into outputs or results?*
- **Effectiveness:** *How far has the programme contributed to achieving its specific and global objectives?*
- **Utility:** *Did the programme have an impact on the target groups or populations in relation to their needs?*
- **Sustainability:** *To what extent can the changes (or benefits) be expected to last after the programme has been completed?*

Consideration of these issues will allow the evaluation of the effectiveness of the implementation of Structural Funds, thereby providing a programming tool as well as looking at the added value of interventions and how these fit into the national socio-economic and regional development policy framework.

## **KEY OBJECTIVES**

For the 2000-2006 round of Programmes, the European Regulations places an increased emphasis on monitoring, reporting and evaluation and there are a number of regulatory requirements which we are obliged to comply with. These are set out in further detail below (paragraphs 23–39), but include the ex-ante evaluation, Annual Implementation Reports (AIR), the mid-term evaluation, allocation of the performance reserve and the ex-post evaluation. In addition, there are new obligations to ensure the effectiveness of the supervisory and financial control systems. These requirements apply to all four funds, but not the Community Initiatives which are subject to a separate evaluation procedure which can feed in valuable information and good practice to the wider evaluation process.

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### ***Programme Management***

Evaluation is intended to be used to assess impact to track the progress of programme implementation, to take corrective actions in the course of existing programmes and to prepare new Programmes. Monitoring and evaluation need to be used effectively as a programme management tool.. Evaluation as a programme management tool will only be

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<sup>2</sup> DG Regio Working Paper 3 Indicators for Monitoring and Evaluation

successful if the proposed targets are assessed at the application stage to ensure they are realistic.. The developing use of the evaluation process, which is also reflected in programme level evaluation strategies, is critical in the delivery of high quality Programmes which meet their objectives and add value to national and regional programmes and initiatives.

In order to enhance evaluation further as a programme management tool, it is necessary to have a dissemination strategy to ensure appropriate dissemination of information and good practice to different target audiences. This will involve broader circulation of evaluation documents and also examples of good practice. The simplest and most effective method for this is the establishment of linked web sites, between the PMEs and the SE, providing data on evaluation. This would promote interest in evaluation and strengthen its credibility, as well as sharing information and tips about successful and less successful methodologies. Information sharing will be particularly useful when undertaking thematic evaluations and trying to establish synergy between programmes. It will be important however, to ensure that the information is presented in an accessible format with summaries, interpretation and sign posting. The assumption that because information is on the web it is communicated is not always correct.

## **EVALUATION CYCLE**

The evaluation cycle can be broken down into three main phases, as required by the Commission: - ex-ante, mid-term and ex-post evaluations. In addition to this, there is a requirement to carry out Annual Implementation Reports which will form the basis of the annual review process, which involve both the Commission and Programme Monitoring Committees.. The methodology and terms of reference for carrying out the evaluations will need to remain flexible in order to take into account the particular needs of the different programme areas. Quantitative data will form the bulk of the information collected through monitoring exercises but qualitative information can also provide valuable insight, in particular with the use of soft indicators in assessing ESF programmes. The evaluation cycle is illustrated by the flow chart below.

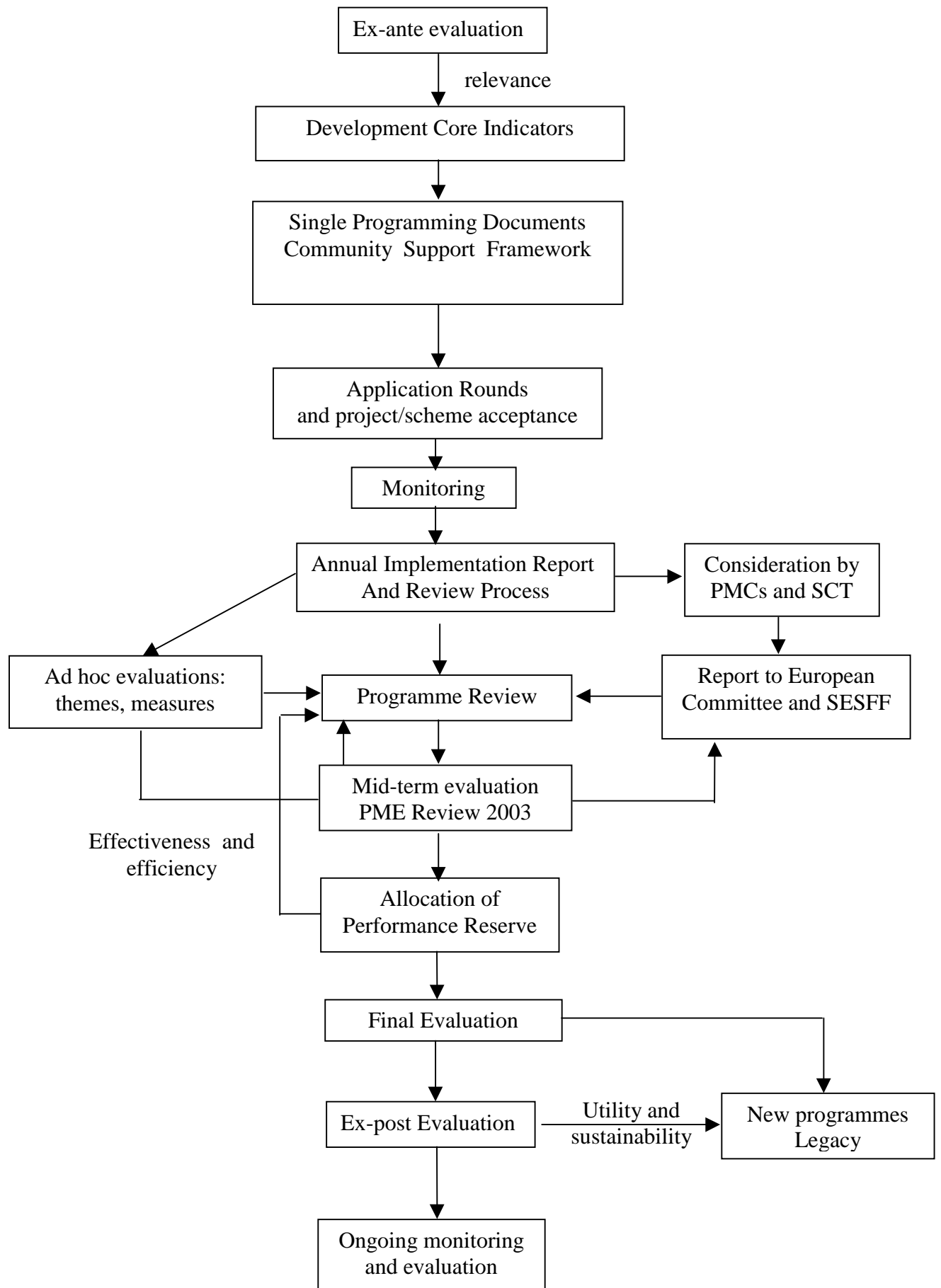
### ***Core Indicators and Monitoring***

In order to develop a consistent approach to monitoring and evaluation in Scotland, a set of core indicators for OP are needed. It is important to know what has been achieved in each of the Programme, it is equally important in order to judge the overall effectiveness of programme implementation. This is the theme of core indicators. They achievements in each area into context and to be able to measure like with like and to compare and contrast results. The aim is to put in place a comparable, comprehensive system to ensure that the core indicators are being collected to the same level in all areas, using the same units of measurement, with each indicator defined in exactly the same way.

Data capture system so information collected at the application and claim form stages can be used to inform monitoring and evaluation processes without the need for additional data gathering exercises. The claim form and progress reports have been designed so that data can be generated in a way that it can be aggregated up to Programme level. This real time

information database allows analysis of programme, measure and indicator level performance at any time and is sufficiently flexible to respond to ad hoc requests for information. must collect information on the subsequent impact of the ESF intervention on individuals in a manner compatible with the rest of the UK.

**EVALUATION PROCESS**



### ***Ex-ante evaluations***

Ex-ante evaluations are required by the Commission and are the responsibility of the Managing Authority.

### ***Annual Implementation Reports***

To comply with the regulations, the SE must submit AIRs to the European Commission within six months of the end of each full calendar year of implementation. The reports will detail the progress made in implementing the assistance over the preceding year. The reports must be drafted on the basis of the following elements:

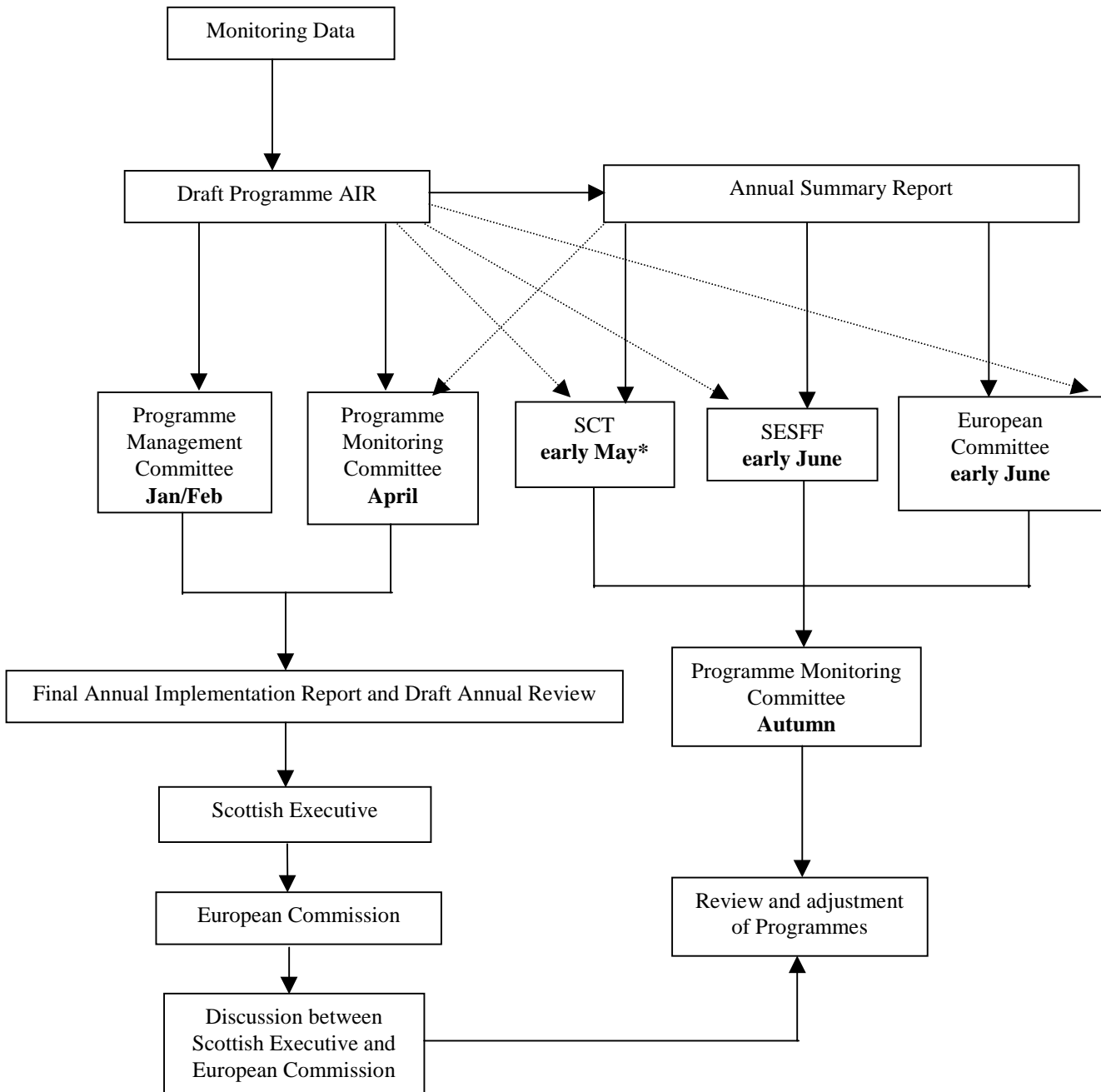
- data on the context in which the assistance is implemented;
- progress made in achieving the priorities and specific targets of the measures and, where relevant, on major projects, as demonstrated quantitatively using the monitoring indicators adopted for this purpose; and
- the financial implementation of the assistance at measure level based on quantified indicators.

Further guidance on the format and timetable for both the AIRs and the annual review process is at Annex A. The flow chart below summarises the process.

### ***Annual review process***

31. The annual review process is an essential part of using evaluation as a programme management tool. As a complement to the AIR, each programme will prepare a draft Annual Review Document proposing, if necessary, adjustments to programme implementation systems and, if necessary, programme documentation to reflect the needs identified in the AIR. It will allow for the review of programme management and how well objectives are

## ANNUAL REPORT AND REVIEW PROCESS



\*includes subsidiary bodies, eg, Equal Opportunities Forum, ESF and ERDF Advisory Groups

### ***Thematic evaluations***

It may become desirable to undertake ad-hoc evaluations on horizontal themes, cross cutting issues at programme level or a measure level. The necessity for these would be dictated by a range of factors resulting from the annual review process or under-performance of a measure. It is essential to retain flexibility in how and when these evaluations are undertaken in order for specific programme and measure issues to be addressed and to maintain efficiency and effectiveness. Therefore the methodology for the ad-hoc evaluations can not be prescriptive, particularly with regard to qualitative data which can provide useful additional information.)

### ***Performance Reserve***

37. This is an amount of funding (4%) that is top sliced from the overall allocation to each programme and which is held in reserve for allocation by Objective on the basis of a programme plan's effectiveness and efficiency as assessed in the mid-term evaluation report.

### ***Ex-post Evaluation***

38. The Commission has primary responsibility for the ex post evaluation in collaboration with the Managing Authority. The aim is to compare the expected objectives with those actually achieved by looking at the impact and utilisation of resources to determine the effectiveness and efficiency of the assistance. The evaluation will cover the factors which contributed to the overall success or failure of implementation and the achievements and results, including their sustainability. This evaluation must be carried out by an independent evaluator within three years of the end of the programming period and must be agreed by the Commission.

### ***On-going monitoring***

39. In order to collect complete information on many projects and schemes, to inform the evaluation process, it is essential that some monitoring continue beyond the end of the programming period.

## **DISSEMINATION OF GOOD PRACTICE**

## **SYNERGY BETWEEN FUNDS AND THE OVERALL ECONOMY**

### ***Impacts of Structural Funds interventions***

46. There is some debate as to the real and perceived added value of interventions. It can be argued that if something is a priority it will be delivered through domestic programmes and therefore any Structural Funds project is a secondary priority by definition. However, in order to get Structural Funds assistance each application goes through a critical selection process where only those projects which will add value receive approval.

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### *Synergy between Funds*

In order to ensure that Structural Funds are implemented in accordance with the principles above, it is necessary to consider a range of common core indicators to allow for comparison of the delivery of common measures across Programmes. The core indicators should be designed to take into account the European Commission horizontal themes of Equal Opportunities and Sustainable Development to be applicable to both ERDF and ESF..

### *Lessons learnt from Community Initiatives*

Community Initiatives are subject to separate evaluation procedures which include an additional requirement of disseminating good practice, as they are innovative programmes. It will be worthwhile noting the administration of the Community Initiatives as well as their evaluation procedures, as the dissemination of good practice from this area may be very beneficial to the evaluation process for the round of Programmes. Indeed, there may also be lessons to be learnt from negative experiences which should not be repeated. There may also be read across between Community Initiative projects and the larger Programmes so some evaluation may need to be done in parallel or in partnership to fully assess the impact of both interventions